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WHA/CEN FOR FEELEY AND SCHIFFER

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TAGS: [KDEM](#) [PGOV](#) [NU](#)  
SUBJECT: USG COMMITMENT TO GOOD RELATIONS WITH SANDINISTAS  
REMAINS FIRM

Classified By: Charge Peter Brennan for reasons 1.4(b,d)

11. (C) SUMMARY: In May 29-June 1 meetings in Managua, WHA/CEN Office Director John Feeley reaffirmed with senior FSLN leaders that USG policy is to pursue productive and positive relations with the Ortega government. At the same time he communicated that President Ortega's increasingly anti-US rhetoric will not be without a cost and has sent a mixed message to Washington, especially following FM Santos, April 19 pledge to Secretary Rice that the Ortega government wants good relations. Officials uniformly acknowledged that the President's rhetoric is unproductive, but offered various excuses on the theme of "old habits die hard." They also defended Nicaragua's right as a poor country to develop relationships with any country that can offer it assistance. Opposition leaders unanimously agreed that former president Aleman is the main obstacle to Liberal unity, but admitted they do not know how to remove him from politics. With the press, business leaders, and civil society, Feeley emphasized the US commitment to democracy, transparency, and prosperity through private sector-led development in Nicaragua. He praised the Nicaraguan police for their counter-narcotics efforts and pledged continued cooperation to help the GON contribute to regional stability and security. END SUMMARY.

Senior Officials Cognizant of Rhetoric's Impact

12. (C) In separate meetings with Vice President Jaime Morales, Foreign Minister Samuel Santos, Economic Advisor Bayardo Arce, and Managua mayor Dionisio Marenco, Feeley drove home the point that Ortega's recent anti-U.S. rhetoric will not be cost free and could impede constructive bilateral dialogue, creating uncertainty among U.S. investors. All acknowledged that Ortega's post-election anti-U.S. rhetoric has not been productive for the bilateral relationship, but claimed that Nicaragua is not in a position to refuse offers of assistance from Iran or Venezuela given its extreme poverty. Morales asked us to "have patience" with the new administration while emphasizing our common agenda on trade, terrorism, drug trafficking, and poverty alleviation. For his part, Santos insisted the level of rhetoric has decreased since January and re-enforced the importance of the U.S. relationship. Arce, the least apologetic, argued that Nicaragua's economic needs compel it to build relationships with a broad spectrum of countries and reduce dependence on the United States. Concerned about the impact of Ortega's rhetoric on smaller foreign investors, Marenco urged more direct "person-to-person" contacts, such as the expansion of sister city programs, that can deliver tangible results.

13. (C) In partial defense of Ortega's recent accusation that the US is financing NGOs to foment opposition to his government, Santos blamed "undemocratic" civil society groups for attacking President Ortega and fanning the flames. In a sweeping generalization, Santos claimed that NGOs are "the most anti-democratic (forces) that exist" because they are formed by small groups of individuals with special interests who usurp the role of elected legislators by claiming to speak on behalf of "civil society." He labeled NGOs a "pebble in the shoe that we (the Sandinistas) didn't put there." Pointing out the irony of Santos' comment, Feeley replied that most of Nicaragua's 4,000 national NGOs have been historically aligned with the Sandinistas and that several of the U.S.-financed NGOs had sought to include FSLN party members in training programs, only to be rebuffed. He also noted that the Embassy had recently released a list of democratic civil society organizations that had received U.S. funding during the electoral campaign, underscoring our commitment to transparency in supporting Nicaraguan democracy.

Opposition - Aleman Remains Main Obstacle to Liberal Unity

14. (C) Feeley met separately with former presidential candidates Eduardo Montealegre (Nicaraguan Liberal Alliance - ALN) and Jose Rizo (Liberal Constitutional Party - PLC), the president of the Sandinista Renovation Movement (MRS) party Enrique Saenz, two PLC National Assembly deputies, and a group of PLC mayors to discuss opposition progress towards unity. Liberal opposition leaders were unequivocal that Aleman is the primary obstacle to Liberal unity and must be removed from the picture, but there is no consensus on how to do it. Rizo observed that Aleman still has substantial power, money, and control over an important segment of the PLC. From the Sandinista reformist perspective, Saenz is not promoting unity with the Liberals, but he assured Feeley that the MRS is ready to ally with them in the National Assembly on specific issues such as seeking to make public details of any Venezuelan oil deals and condemning the closure of RCTV by Chavez. (Comment: The same morning as the Rizo meeting, Rizo and Montealegre appeared together on a popular morning talk show to discuss Liberal unity and common legislative agendas. During the program, Aleman suddenly appeared, announcing that he had "come to talk, if you will permit me, about the unity that the people want." Montealegre refused to engage Aleman, stating instead, that "if Aleman wants unity that he should accept that PLC directors - not Aleman - are the primary interlocutors on any discussions of unity." After the incident most observers indicated that Aleman's surprise appearance made him look desperate. End comment.)

Message to Business Community and Media - "The U.S. will not Abandon You"

15. (SBU) During a reception with AmCham and other local business leaders, Feeley highlighted the overall benefits of CAFTA to Nicaragua during its first year in force. There was general recognition and agreement that the creation of a strong and stable investment environment will require a lot of work with the Ortega administration and that the Nicaraguan private sector must play an active role in holding the Sandinistas to their pro-market campaign promises. Feeley emphasized that the United States and Nicaragua are friends, neighbors, and that the U.S. will not abandon its commitment to the Nicaraguan people, nor to its business community. He emphasized that U.S. prosperity and security are integrally linked to that of our Central American partners.

16. (U) Feeley delivered the same message to the media during a joint press conference with Morales, and in other radio and TV interviews, underscoring that the USG very much wants to work with all democratically elected governments that govern

democratically. "This includes the GON and we hope we can continue to pursue our mutual interests in this spirit," he clarified. In light of recent allegations that the U.S. is financing opposition parties with a view to destabilizing the Ortega government, Feeley reiterated Ambassador Trivelli's statements that the USG is not financing parties, but institutions, to ensure prosperity, democracy, and transparency.

#### Civil Society Sees Few Positive Signs

17. (C) Pro-democracy NGOs Movimiento por Nicaragua (MpN), National Democratic Institute (NDI), and the International Republican Institute (IRI) expressed concern that the Ortega government is slowly blurring the lines between party and State. Representatives commented that Ortega is likely to avoid drastic measures, but rather will seek increasing control of the democratic space through subtle means. Nonetheless, they pointed out that Ortega's recent attacks on MpN for its sustained criticism of the government have been anything but subtle. Further, recent attempts by NDI to include young FSLN leaders in leadership training courses were rejected by the Sandinistas. Despite the difficulties of these NGOs to engage with the new government, all viewed with optimism the National Assembly's recent condemnation of the closing of Venezuela's RCTV, seeing it as a step towards broader legislative unity to counter Ortega's maneuvering.

18. (C) Monsignor Aviles, the number two in Nicaragua's Catholic archbishopric, believes that democracy is stronger than ever in Nicaragua because elections can be held without violence, but he expressed concern that Ortega's campaign promises to the poor have raised expectations to an untenable level. He warned of growing discontent with the Ortega administration, stating that Ortega never really had a plan, only empty campaign rhetoric. Aviles suspected that Ortega will continue to employ a strategy of blaming foreigners and previous governments for Nicaragua's woes.

#### Nicaraguan Police - Keep up the Good Work

19. (C) Feeley congratulated National Police Commissioner

Aminta Granera for the Nicaraguan National Police's (NNP) crackdown on drug trafficking since Granera took office in September 2006. (Note: Shortly before the meeting a story broke of a 300kg cocaine bust. In the first 5 months of 2007 NNP drug seizures are twice the 2006 totals. End note.) Feeley also recognized the close cooperation between the U.S. and the NNP and confirmed our desire to stay engaged with the police on counter-terror and counter-drug initiatives. He also praised the NNP for the implementation and early successes of the special vetted unit.

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